



Basis Contract

Set your basis level for grain during a specific delivery period while you wait to set your futures price.

Background

If you feel there is a potential for futures prices to improve, but basis levels may get worse, a Basis contract allows you to lock in only the basis portion of a cash contract for a specific delivery period. With the basis set, you can wait until a later date to set the futures reference pricing portion of your cash contract. Basis contracts may also allow you to receive a payment advance on an estimated portion of the contract value for the grain that has been delivered.

The Benefits

- Helps you actively manage your final grain price.
- Helps diversify your marketing.
- Allows you to take advantage of favorable basis.
- Can help improve cash flow, if needed.
- Maintain flexibility in your forward marketing.

How It Works

1. Working with an ADM representative, you lock in the basis for a specific delivery period.
2. If you wish, you may be able to receive a partial cash advance after delivery has occurred.
3. You set your final futures reference price prior to the deadline provided by the contract terms.
4. You deliver your grain within the contracted period and receive the contracted cash price (minus your cash advance, if applicable), which is the Futures Reference Price +/- Basis.

Contact your local ADM representative or visit [ADMadvantage.com](https://www.adm.com)

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